GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:230
ANSWERED ON:17.03.2017
Old Notes and New Notes
Reddy,Kotha Prabhakar;Sawant Shri Arvind Ganpat

Will the Minister of FINANCE be pleased to state:

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

STARRED QUESTION NO.230

TO BE ANSWERED ON 17th MARCH 2017/26TH PHALGUNA SAKA, 1938

OLD NOTES AND NEW NOTES

*230. SHRI PRABHAKAR REDDY KOTHA:
SHRI ARVIND SAWANT:
QUESTION

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken note of the fact that the old notes deposited post demonetisation exceed the new issued notes resulting in huge gap in currency circulation of such notes and if so, the details thereof and the value of old currency converted into new currency;

(b) whether the Government proposes to withdraw the new Rs. 2000 notes shortly and if so, the details thereof and the reasons therefor;

(c) whether demonetisation has shown a positive effect on the economy and if so, the details of the estimation of short-term and long-term effects of demonetisation on the economy of the country; and

(d) the estimated time by which the situation is likely to normalise at the banks?

Answer

ANSWER

THE FINANCE MINISTER
(SHRI ARUN JAITLEY)

(a) to (d) A statement is laid on the table of the House.

Statement referred to in reply to parts (a) to (d) of the Lok Sabha Starred Question No. 230 due for answer on 17.3.2017 regarding Old Notes and New Notes

(a) The Specified Bank Notes (SBNs) of Rs. 500 and Rs. 1000 returned to currency chests of Reserve Bank of India (RBI) as on December 10th, 2016 amounted to Rs. 12.44 lakh crores. The data obtained in this regard would need to be reconciled with the physical cash balances to eliminate counterfeit notes, accounting errors/ possible double counts etc., after which only the final figures will be arrived at. The currency in circulation as on 3th March, 2017 is Rs. 12 Lakh crores.

(b) There is no proposal to withdraw the Rs. 2000 denomination banknote.

(c) Demonetisation seeks to create a new 'normal' wherein the GDP would be bigger, cleaner and real. This exercise is part of the Government's resolve to eliminate corruption, black money, counterfeit currency and terror funding. This exercise has resulted in an

increase in deposits with banks. This will facilitate reduction of interest rates and provide more headroom to banks to expand their credit base.

(d) The limits of withdrawal from savings bank accounts have been removed with effect from 13.3.2017.